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Obey: Bailout shouldn't make fat cats fatter, needs monitoring

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The chairman of the House Appropriations Committee wants to ensure the average American will benefit from the president's 700 billion bailout proposal. Danielle Kaeding reports from Superior.

A three-and-a-half page blank check. That's what Wisconsin Congressman and House Appropriations Committee Chairman Dave Obey says about President Bush's proposal to ease market turmoil.

"It would have given them the authority to spend up to 700 billion dollars any way they chose with no review what-so-ever by anyone including God. I mean, the courts would have had no chance to review any action taken by the agencies."

Obey says there should be an independent review board to monitor how the money is spent. He says confidence in the markets must be restored or the country will face economic collapse.

"Credit is going to dry up. It means that average people-If you're trying get a car loan, if you're trying to get a mortgage, if you're trying to get a student loan, if you're trying to build a new house-you're just not going to be able to get credit. And, we're going to have one whale of a recession."

Obey says there needs to be limits on compensation to company executives on Wall Street.

Obey says people on Main Street should benefit from the bailout.

"If we're going to be buying this so-called bad paper from these financial institutions, we ought to try to find a way to provide that the taxpayers will have some financial stake to benefit them if those assets recover some of their value."

Obey says massive deregulation of the markets has contributed to an unstable economy. Obey says they have to hurry, but they may only have one shot to get it right.

Meanwhile, domestic spending bills are being stalled by Congress until a new president is elected to the White House.

Congress plans to pass a continuing resolution on Domestic Appropriations Bills. House Appropriations Committee Chairman and Wisconsin Congressman Dave Obey says Congress was willing to compromise on domestic spending but the president refused to budge.

"When he submitted his budget, he made it quite clear from the beginning in February that he would not sign any domestic bills that exceeded his budget request."

Obey says the president's desire to cut spending on medical research, healthcare, and education are quote-unconscionable.

"He claimed that it was crucial to make those cuts because we couldn't afford that money. And, yet, this bailout package, which he is asking Congress to pass, is 50 times as large as that 14 billion dollar difference."

Obey hopes the new president will allow them to spend what is needed on domestic programs.

"We give whoever is the next president a chance to get his act together and suggest to the Congress what changes he'd like to see in those remaining appropriations bills."

The continuing resolution will allow domestic spending at last year's numbers until next March.